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scenic Oils LTD.



ANNUAL REPORT 1964

scenic Oils LTD.

CAPITALIZATION

Authorized — par value 20c per share	5,000,000
Issued	2,342,000

DIRECTORS

Eric Connelly	Calgary, Alberta
William L. James	Calgary, Alberta
Arthur R. Morison	Calgary, Alberta
Carl O. Nickle	Calgary, Alberta
S. C. Nickle, Sr.	Calgary, Alberta
Sam C. Nickle	Calgary, Alberta

OFFICERS

S. C. Nickle, Sr.	President
Sam C. Nickle	Vice-President
William L. James	Secretary
Arthur R. Morison	Treasurer

BANKERS

The Bank of Nova Scotia

TRANSFER AGENT AND REGISTRAR

Guaranty Trust Company of Canada
Toronto, Montreal and Calgary

AUDITORS

Price Waterhouse & Co.

scenic Oils LTD.

REPORT TO THE SHAREHOLDERS

We are pleased to submit the Annual Report for the year ended, December 31, 1964.

During the year, the Company participated in the drilling of two additional development wells in the Kaybob area. Both these wells were placed on production early in 1964.

The Company continues to have an interest in over 7,000,000 acres of permit lands in the Arctic Islands. Double drilling credits earned by the participation in two wells will maintain the Company's acreage position for several years.

Cash flow generated from operations totalled $19,438 for the year. Net loss amounted to $3,181 after provision for depletion, depreciation of $22,619.

Your Company continues to hold 55.8% of the issued and outstanding shares of Gridoil Freehold Leases Ltd. which Company in turn holds 63.4% of Canadian Williston Minerals Ltd. We are pleased to enclose for your information the Annual Reports of these two companies.

On behalf of the Board,

S. C. NICKLE,
President

March 29, 1965

ANNUAL MEETING — The Annual General Meeting of the Shareholders will be held at the Head Office of the Company, 330 - 9th Avenue South West, Calgary, Alberta, on April 29, 1965.

SCENIC OILS LTD.

STATEMENT OF PROFIT AND LOSS AND DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1964

REVENUE		
Crude oil sales, less royalties		$ 44,730
Interest earned		194
		44,924
EXPENSES		
Production expenses	$ 5,776	
Unproductive well costs	5,521	
General and administrative expenses	14,189	25,486
PROFIT before provision for depletion and depreciation		19,438
Depletion and depreciation		22,619
NET LOSS for the year		3,181
DEFICIT, December 31, 1963		264,520
DEFICIT, December 31, 1964		$267,701

scenic Oils LTD.

BALANCE SHEET AS

ASSETS

CURRENT ASSETS		
Cash	$ 10,080	
Accounts receivable	6,364	$ 16,444
INVESTMENT IN SUBSIDIARY		
Gridoil Freehold Leases Ltd. (55.8% owned), 6,243,759 shares at nominal value		1
CAPITAL ASSETS, at cost		
Petroleum and natural gas leases	154,568	
Well costs and related equipment	141,427	
	295,995	
Less — Accumulated depletion and depreciation	43,157	252,838

SIGNED ON BEHALF OF THE BOARD,

S. C. NICKLE, SR., Director

A. R. MORISON, Director

$269,283

The Auditors' Report is a

T DECEMBER 31, 1964

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	$ 558	
Due to Gridoil Freehold Leases Ltd.	1,776	
Current portion of bank loan	15,000	$ 17,334
LONG-TERM DEBT		
5¾% bank loan, secured by assignment of specific producing properties, payable in equal monthly installments of $1,250, less current portion		51,250
SHAREHOLDERS' EQUITY		
Share capital —		
Authorized —		
5,000,000 shares of a par value of 20 cents each		
Issued —		
2,342,000 shares	468,400	
Deficit, per accompanying statement	267,701	200,699
		$269,283

ied to this Balance Sheet

scenic Oils LTD.

AUDITORS' REPORT

To the Shareholders of
SCENIC OILS LTD.

We have examined the balance sheet of Scenic Oils Ltd. as at December 31, 1964 and the statement of profit and loss and deficit for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and the statement of profit and loss and deficit are properly drawn up so as to exhibit a true and correct view of the statement of the affairs of the company as at December 31, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.
Chartered Accountants

CALGARY, March 19, 1965

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oils

LTD.

KYLE PRINTING LIMITED, CALGARY, ALBERTA.